



H.R.5264 – ANDEAN TRADE PREFERENCE EXTENSION ACT OF 2008

FLOOR SITUATION

H.R.5264 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Charles Rangel (D-NY) on February 7, 2008. The resolution was referred to the House Committee on Ways and Means on November 7, 2008, and was ordered to be reported as amended by voice vote on February 14, 2008.

H.R.5264 is expected to be considered on the floor of the House on February 27, 2008.

SUMMARY

H.R.5264 provides a clean 10 month extension to the Andean Trade Preferences Act, setting a new expiration date of December 31, 2008.

BACKGROUND

The Andean Trade Preference Act (ATPA) was enacted in 1991 (Public Law No: 110-42) to combat drug production and trafficking in the Andean countries: Bolivia, Colombia, Ecuador and Peru. The program offers trade benefits to help these countries develop and strengthen legitimate industries. ATPA was expanded under the Trade Act of 2002, and is now called the Andean Trade Promotion and Drug Eradication Act. It provides duty-free access to U.S. markets for approximately 5,600 products.

Since the initiation of ATPA, two-way trade between the U.S. and the ATPA countries has doubled. U.S. exports to ATPA countries have increased 75 percent in dollar terms, with many of these exports serving as inputs to ATPA-qualifying products. According to the State Department, United States imports from ATPA countries have more than doubled, helping to create approximately 140,000 new, legitimate jobs in the region.

As originally introduced, H.R.5264 would have amended title V of the Trade Act of 1974 (as it relates to the Generalized System of Preferences), the Caribbean Basin Economic Recovery Act, and the Andean Trader Preference Act, for the purposes of extending the expiration date of the programs until September 30, 2010 and making certain other stipulations. Additionally, the bill would have amended the African Growth and Opportunity Act. However, the bill was amended to its current form after committee mark-up.

COST

The Congressional Budget Office (CBO) estimates that H.R.5264 would reduce revenues from customs duties by \$82 million in 2008 and \$37 million in 2009, totaling \$119 million over the 2008-2009 period.

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